

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
)	
Noncommercial Educational)	MB Docket No. 12-106
Station Fundraising for Third-Party)	
Non-Profit Organizations)	

COMMENTS OF NORTHWESTERN COLLEGE

Northwestern College (“NWC”) is the owner of fourteen (14) noncommercial (“NCE”) religious AM and FM radio stations licensed to various communities in the States of Iowa, Minnesota, North Dakota, South Dakota and Wisconsin. The NWC Stations broadcast contemporary Christian music and talk programming to their listeners in the areas served. NWC has worked closely with National Religious Broadcasters (“NRB”) in recent years to develop proposals for relaxing the current ban on third-party fundraising for non-profit organizations that would meet the Commission’s public policy objectives and afford NCE stations flexibility to serve their internal charitable objectives. NWC fully supports the Commission’s proposal to allow NCE stations to fundraise for qualified third parties and herein offers its views on certain of the issues raised by the Commission in its Notice of Proposed Rulemaking (the “NPRM”) in the above-referenced proceeding.

Introduction

At the outset, NWC wants to commend the Commission for its willingness to consider relaxation of its long-standing ban on NCE station fundraising for third-party non-profit organizations except in extraordinary circumstances. The evidentiary record compiled for the June, 2011 report on “The Information Needs of Communities” (INC Report) has led the Commission to issue the NPRM in order to solicit comments on proposed revisions to its policy

and related rules that would enhance the ability of NCE radio stations to serve the overall needs of their listeners. In particular, for religious stations such as those licensed to NWC, the changes under consideration by the Commission open the door for listeners to fulfill their desires to help those in need at home and abroad in response to fundraising appeals by non-profit organizations serving the common good wherever they may be located.

Eligibility for Third Party Fundraising

As the Commission notes in the NPRM, NRB suggests that the class of entities for which fundraising may be conducted be limited to organizations that are recognized as non-profit and tax exempt under Section 501(c)(3) of the Internal Revenue Code. NWC fully supports this qualifications test. The IRS criteria for Section 501(c)(3) designations are rigorous and time-honored. A licensee can safely assume that any organization registered with the IRS as a 501(c)(3) entity is in fact a bona fide non-profit organization. 501(c)(3) classification should be considered the gold standard for the Commission's purposes.

In NWC's view, there should not be any geographic limitations placed on the Section 501(c)(3) organizations for which fundraising announcements may be aired. As an NCE religious broadcaster with stations in seven radio markets, NWC is keenly aware that many of its listeners are interested in supporting international causes and helping needy people around the world. These listener interests are heartfelt, and having the information necessary to reach out on a global, as well as local and national, basis would meet the needs and interests of "local" residents. Moreover, imposing geographic limitations on the non-profit organizations eligible for fundraising would cause significant definitional issues. For example, organizations such as The Salvation Army and the Red Cross have local, regional, national and international components. As long as an organization has 501(c)(3) status, it should be eligible for NCE station fundraising efforts without regard to its location or the area served by the outreach.

Since NWC first began broadcasting in 1949, all of its stations have operated on a noncommercial basis, relying primarily on listener support to fund their operations. Following release of the NPRM, NWC asked its listener advisory panels in five of its markets (Minneapolis, MN, Madison, WI, Waterloo, IA, Des Moines, IA and Fargo, ND) to provide feedback on how the panel members feel about helping with financial aid less fortunate individuals facing difficult circumstances both at home and abroad. Over 65% of the 1,200 respondents want to be informed about the needs of poor people regardless of where they live and over 44% represented that they are willing to respond financially to help worthy causes in the United States and internationally. Additionally, 26% of respondents said that awareness of problems in other countries make them more likely to help those in their own communities. NWC believes that the survey results show that for its listeners, there are no distinguishable differences between global needs and those closer to home. People will give if the cause is right and they are made aware of the need for their support. Accordingly, NWC urges the Commission to place no geographic limitations on the 501(c)(3) organizations for which an NCE station may fundraise.

NWC Supports Limited Reporting to the Commission on NCE Station Fundraising Activities

In the NPRM, the Commission proposes that NCE stations engaged in third-party fundraising be required to file annual reports with the Commission on such fundraising activities and to maintain the reports in their public files. The Commission requests comments on a myriad of potential reporting elements for each particular fundraiser, including the date and time, the name and location of the third-party beneficiary, the cause supported by the fundraiser, the type of fundraising activity, the duration of the fundraiser and the total amount of funds raised. The apparent justification for considering the imposition of such detailed informational requirements is that it would enable the Commission to “assess the effectiveness” of its relaxed

policy on third-party fundraising by NCE stations. Comments are also requested on whether to use a licensee certification process to verify compliance with the new fundraising rules.

NWC recognizes and appreciates the Commission's interest in ensuring compliance with its revised policy and rules on third-party fundraising by NCE stations. But, NWC must question how all of the information the Commission proposes to require will provide for a realistic assessment of the new policy's "effectiveness." Indeed, what is the "effectiveness" the Commission seeks to evaluate? In NWC's view, the Commission's principal, if not exclusive, interest should be a station's compliance with the 1% limit on the amount of annual airtime a station devotes to fundraising activities on behalf of third-party non-profit organizations. NWC submits that to achieve this goal, the Commission need only require a station annually on the anniversary date of its renewal application to put into its public inspection file a list of the non-profit organizations for which has raised money during the past 12 months and the airtime spent on each such fundraising endeavor.¹

NWC Supports a One Percent Cap on Annual Airtime Devoted to Third-Party Fundraising

As discussed in the NPRM, the Commission has long had a policy to grant occasional waivers of Sections 73.503(d) and 73.621(e) of its Rules in extraordinary circumstances, generally involving fundraising for relief efforts following singular catastrophic events, *e.g.* Hurricane Katrina, the Haiti earthquake, and the 9/11/2001 terrorist attacks. The NPRM requests comments on placing an annual one percent limit on third-party fundraising, whether this limit should also apply to the disaster and other catastrophic events covered by the current waiver policy, and whether a durational limit should be placed on a specific program and/or discrete fundraising effort.

¹ While compliance certification as part of the license renewal process certainly has appeal from a paperwork burden standpoint, NWC is willing to document its compliance with the adopted airtime cap on an annual basis.

NWC supports the imposition of a one percent annual limit on radio airtime devoted to third-party fundraising activities. While a higher cap could provide greater flexibility, NWC believes that the limit proposed by the Commission is reasonable in the circumstances and will enable NCE radio stations to meet their public service and religious missions. NWC, however, urges the Commission to exclude from the one percent limit those types of fundraising efforts now subject to the waiver policy, i.e. disasters and other singular catastrophic events. These drastic situations occur rarely, and retaining the waiver policy would not unduly burden the Commission's staff in light of its informal procedures now applicable in these cases. On the other hand, if the waiver procedure is ended and a disaster requiring relief efforts occurs, a station's annual fundraising time allotment could already have been used up and the station would have no ability to raise funds for a needy cause.

For the reasons stated above, Northwestern College urges the Commission to adopt new rules that will enable NCE stations to conduct fundraising activities to benefit non-profit third-party organizations.

Respectfully submitted,

NORTHWESTERN COLLEGE

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